## IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

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In re:	:	Chapter 11

CIRCUIT CITY STORES, INC., et al., : Case No. 08-35653 (KRH)

Debtors. : Jointly Administered

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# SUMMARY OF SECOND INTERIM FEE APPLICATION OF DJM REALTY SERVICES, LLC FOR REIMBURSEMENT OF EXPENSES INCURRED AND FOR ALLOWANCE AND PAYMENT OF COMPENSATION FOR SERVICES RENDERED (FEBRUARY 1, 2009 – THROUGH APRIL 30, 2009)

Name of applicant:	DJM Realty Services, LLC
Authorized to provide professional services to:	Circuit City Stores, Inc., et al
Date of retention:	11/19/08
Period for which compensation and reimbursement are sought:	<u>2/1/09 – 4/30/09</u>
Amount of compensation sought as actual, reasonable, and necess	ary: \$740,606.69
Amount of expense reimbursement sought:	\$37,289.22
This is: _X_ an Interim Application a Final Applicati	on

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In re: : Chapter 11

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# SECOND INTERIM FEE APPLICATION OF DJM REALTY SERVICES, LLC FOR REIMBURSEMENT OF EXPENSES INCURRED AND FOR ALLOWANCE AND PAYMENT OF COMPENSATION FOR SERVICES RENDERED

DJM Realty Services, LLC ("DJM") real estate consultant and advisor for Circuit City Stores, Inc., et al. (collectively the "Debtors" or the "Company"), files this second interim fee application for reimbursement of expenses incurred and for allowance and payment of compensation for services rendered (the "Application") from February 1, 2009 through April 30, 2009 (the "Second Interim Period"). In support of this Application, DJM respectfully represents the following:

### **BACKGROUND**

1. On November 10, 2008 (the "Commencement Date"), the Debtors commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

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- 2. On December 12, 2008, the Debtors filed their Application For an Order Pursuant to 11 U.S.C. Sections 105 (a), 327(a), 328 and 1107 and Bankruptcy Rule 2014(a) Authorizing the Employment and Retention of DJM Realty Services, LLC, as Real Estate Consultant and Advisor to the Debtors effective November 19, 2008 (the "Employment Application") [Docket No.963]. A copy of the Employment Application is attached to this Application as Exhibit A.
- 3. The Employment Application was supported as to DJM by the Declaration of Andrew B. Graiser, a copy of which is included as part of Exhibit A.
- 4. On January 9, 2009 the Court entered its order (the "Employment Order") [Docket No.1436] authorizing the Debtors to retain DJM. A copy of the Employment Order is attached to this Application as Exhibit B. The Real Estate Consulting and Advisory Services Agreement and the three amendments thereto (collectively the "Agreement") executed by the Company and DJM are attached hereto as part of Exhibit A and as Exhibit A-1 respectively. The Agreement includes provisions for DJM to work on property dispositions. As amended, the Agreement provides for the reimbursement to DJM of approved expenses, not to exceed \$100,000. As set forth in Section 3(b) of the Agreement, DJM is entitled to receive fees for property dispositions in the amount of 3.75% of gross proceeds for leases and 3.25% of gross proceeds for owned properties.

### COMPENSATION AND REIMBURSEMENT REQUESTED

5. By this Application DJM requests that this Court authorize and order (a) reimbursement of expenses incurred by DJM in the provision of services for the Debtors in the amount of \$37,289.22 and (b) allowance of compensation for services rendered by DJM on behalf of the Debtors in the amount of \$740,606.69, representing fees earned. All such amounts have been paid to DJM.

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- 6. All expenses incurred and services performed by DJM were incurred or performed for and on behalf of the Debtors and not for or on behalf of any other individual or entity. These expenses were incurred and services were rendered in discharge of DJM's responsibilities as real estate consultant and advisor for the Debtors. DJM's services have been substantial, necessary and of significant benefit to the Debtors and their estates.
- 7. No agreement or understanding exists between DJM and any other entity for the sharing of compensation to be received for services rendered in connection with this case.

### SUMMARY OF EXPENSES INCURRED, SERVICES RENDERED AND FEES

- 8. Since the entry of the Employment Order, DJM worked closely with the Debtors and their advisors to maximize the return for estate creditors and has acted at all times in the best interests of creditors and other parties in interest in this case. As set forth below, DJM's efforts have resulted in gross proceeds from real estate transactions in excess of \$20,000,000.00.
- 9. During the Second Interim Period and as part of the provision of its services to the Debtors, DJM incurred or paid expenses in the amount of \$37,289.22 relating to travel, mailing and marketing matters. DJM invoiced the Debtors for this amount, a copy of which invoice is attached to this Application as Exhibit C. The Debtors have paid that amount.
- 10. DJM marketed Leases for assignment or other disposition and, in conjunction with the Debtors and other of their professionals, assisted in preparing for and conducting an auction of the Leases, held on March 10, 2009. As a result of such efforts the Debtors realized gross proceeds in the amount of \$16,191,845.00 from assignment or termination fees. As set forth in Section 3 (b) of the Agreement, DJM's fee for such transactions is 3.75% of such gross proceeds which equals \$607,194.19. DJM invoiced the Debtors for such amount, a copy of which invoice is attached to this Application as Exhibit D. That invoice lists each Lease disposed of and the

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11. DJM marketed for sale the Debtors' store number 3426 located in Phoenix, Arizona and negotiated a sale of that property to BRG Properties, LLC. That sale closed on or about March 19, 2009 for gross proceeds of \$4,105,000.00. As set forth in Section 3 (b) of the Agreement, DJM's fee for such sale is 3.25% of such gross proceeds which equals \$133,412.50. DJM has invoiced the Debtors for such amount, a copy of which invoice is attached to this Application as Exhibit E. The Debtors paid that amount.

WHEREFORE, DJM requests that the Court (i) approve the Debtors' reimbursement to DJM of expenses incurred in the amount of \$37,289.22, (ii) approve DJM's fees in the amount of \$607,194.19 related to the disposition of Leases, (iii) approve DJM's fees in the amount of \$133,412.50 related to the sale of the Phoenix, Arizona store number 3426, and (iii) grant DJM such other and further relief as the Court deems just and proper.

DJM REALTY SERVICES, LLC

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Dated: June /0, 2009

Respectfully submitted by,

Dated: June 15, 2009 SKADDEN, A Richmond, Virginia FLOM, LLP

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